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DETAILS OF THE SALE OF GOLCONDA CONTROL

Authoritative Statement Made Through "The Miner" by the New Owners of Famous Property.

About no other mine in Oregon has quite so much been said and written as about the famous old Golconda, which, since the bankruptcy of its president, C. B. Wade, of Pendleton, has been in the throes of internal dissension and repeated attempts at reorganization for many months. Various plans for bringing the Golconda company's affairs to an adjustment have failed, and the public prints for a year past have been full of ill-adviced discussion and criticism of the negotiations. The Miner today is accorded the privilege and honor of announcing that a definite step has been taken toward the consummation of a final deal, which holds out every promise of being in equitable protection of all interests involved.

THE DEAL IN BRIEF.

In brief, the deal which has been consummated is the purchase by C. S. Jackson, the Portland newspaperman; R. E. Norton, a California mining engineer, and H. H. McCarthy, a Portland mining man and broker, of all the outstanding indebtedness against the mine, hitherto held by Carter, Howard et al, and the purchase also of all of the Wade stock, hitherto held by the First National bank of Pendleton, and by Lacey Bros., of Detroit, Michigan, and the acquirement of such other blocks held by private owners as constitutes complete control. Messrs. Norton, Jackson and McCarthy, thus holding undisputed control, having paid cash therefor, will shortly issue \$90,000 worth of first mortgage, 7 per cent, 10-year, debenture bonds, from the proceeds of the sale of which, the mortgages now held by assignment by Messrs. Norton, Jackson and McCarthy will be satisfied, and working fund of from \$30,000 to \$40,000 provided for operation of the mine. The details of this deal are succinctly set forth in the following circular letter, issued by J. S. Beckwith, secretary of the Golconda company:

BECKWITH'S CIRCULAR.

"Pendleton, Oregon, February 22, 1905.

"To the Golconda Stockholders:—

"I am pleased to inform you that the affairs of the Golconda company have reached a very hopeful stage and I take the pleasure in presenting you the following solution of our past difficulties and hope you will at once take advantage of the present opportunity to make a wise investment and at the same time restore the value to the stock now owned by you. This offer for a short time will be limited to stockholders.

"Messrs. C. S. Jackson, publisher of the Oregon Daily Journal, of Portland, Oregon, H. H. McCarthy, a practical mine manager, and R. E. Norton, a mining man, on representations from me in your interests, have now purchased all the outstanding claims against the property and now hold all mortgages, notes, etc. They will issue \$90,000 first mortgage gold bonds of \$100 each, maturing in ten years and drawing seven per cent interest per annum, the company reserving the right to take up and cancel the bonds upon any interest paying rate at not less than \$107 each and accrued interest. In addition to this, stockholders who accept this offer will receive, as a bonus, 700 shares of stock of Golconda Consolidated Gold Mines company upon the purchase of each \$100 bond. Mr. Jackson and associates are enabled to give this bonus of stock by reason of their purchase of the large block of stock formerly held by Mr. C. B. Wade, the former president of the company.

"Upon the payment of \$100 for each bond the purchasing stockholder will receive his bonds at once, together with a certificate from me as secretary of the Golconda company, stating, substantially, that 'said purchaser is the owner of 700 shares of stock with each bond, but that all bonus stock shall be held in pool and in trust by said secretary of the purchaser thereof until the mine is plac-

ed upon a dividend paying basis and, in the judgment of the officers of the company, it should be released, at which time it will at once be subject to the order of the owner and be so notified. It is further agreed that said J. S. Beckwith, secretary, shall be considered to have the proxy from said owner and full power to vote said stock at any meeting of the stockholders until finally released as aforesaid."

"As evident from the above, the money you may send in payment for bonds and bonus stock will, by this agreement, be well secured by first mortgage on the property, and in addition, give you 700 shares of stock for each \$100 invested.

"The active assumption of control and management by these men is an assurance of the most successful operation of the property, and the safeguarding of the stockholders interests, and I confidently believe that the mine will be on a dividend-paying basis in a comparatively short time under their management.

"In order to secure these concessions from Messrs. Jackson et al, I have argued in your behalf to accept the above proposition and now ask your confirmation by signing the form, which I enclose, and sending your remittance, to the First National Bank, Pendleton, Oregon, when the number of bonds you desire to purchase, together with the certificate above mentioned will be handed to the bank and forwarded by it to you. I have promised this on your part, knowing that I have acted for your best interests.

"I may add that all money received from the sale of bonds will be used in the economical development and operation of the mine only.

"Should it not be convenient for you to send the entire amount for the number of bonds you wish to purchase, I will say, that upon the payment to the bank of 25 per cent of the amount, the desired number of bonds will be placed in the bank, and upon the payment each month thereafter of a like amount until the sum paid equals the purchase price of the number of bonds desired, when the bonds and certificates covering bonus stock will be forwarded to you, as before stated.

"Now, the purchase of all claims against the property at private sale by Messrs. Jackson, McCarthy and Norton, and the stock above mentioned, together with the stock heretofore owned by these people, gives them an absolute majority of the capital stock of the company, and absolutely precluded any organization or other basis of financing which has been so persistently advanced by Mr. Alexander Prussing, of Chicago, who is in no wise connected with these gentlemen, and is not now and never was a stockholder of the Golconda company in his individual capacity.

"In conclusion I would most re-

spectfully urge that all stockholders who can conveniently do so, send to the First National Bank of Pendleton, Ore., at least \$100, and as many hundreds as convenient, to be invested in the seven per cent bonds as stated, and share in the stock bonus at the rate of 700 shares of stock for each \$100 bond, as I have all confidence in its safety and fruitfulness. I also urge that you act promptly in this matter, as I have only a limited number of said bonds at my disposal.

"Yours very truly,

"J. S. Beckwith, Secretary."

EX-RECEIVER HERE.

Messrs. Norton and McCarthy returned this morning from the Golconda mine, accompanied by John Vert, of Pendleton, who, until today, was the receiver of the company, appointed by Circuit Judge Eakin on the petition of C. H. Carter, of Pendleton, holder of certain mortgages against the mine. Receiver Vert, by order of the court, made in pursuance to a petition of Mr. Carter, filed with Judge Eakin last week, has turned back the property to the Golconda company by dissolving the receivership, which means that the mine has formally been transferred to Messrs. Norton, Jackson and McCarthy, they being the controlling owners as above stated.

To a Miner man this morning, Mr. Vert said:

"When I went up to the mine last Wednesday I promised to give you the details of the Golconda transaction upon my return. I call your attention to Secretary Beckwith's circular, which contains all the facts in a coherent shape."

ERROR IN CIRCULAR.

"There is one apparent error in the circular, however," interrupted Mr. Norton, "which I presume has been, or will be, corrected. Mr. Beckwith says that the money received from the money derived from the \$9,000 bond issue 'is to be used in the economical operation and development of the mine only.' Mr. Beckwith's letter should have read that the money derived from the sale of these bonds is to be used in paying all the present indebtedness of the company and in the economical operation of and development of the mine.' Barring this error, the circular is correct in all its details."

SAM JACKSON'S PART.

"The consummation of this transaction," continued Mr. Vert, "was brought about by C. S. Jackson, of Portland. A large measure of credit is due to him. During the pendency of many plans for reorganization, assessment, foreclosure, etc., which plans were advanced by outside parties, Mr. Jackson was repeatedly approached with propositions to become a party thereto. He was asked to permit foreclosure of the mine

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